

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

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|---|---|--------------------------|
| UNITED STATES OF AMERICA, |) | |
| |) | |
| Plaintiff, |) | |
| - v. - |) | Civil Case No. H-06-3335 |
| |) | |
| 2121 KIRBY DRIVE, UNIT 33, |) | |
| HOUSTON, TX, |) | |
| |) | |
| ASSETS OF KLL & LPL |) | |
| INVESTMENTS, LTD., |) | |
| |) | |
| \$22,680 in BANK OF AMERICA |) | |
| ACCOUNT No. 0026-6253-0707, |) | |
| |) | |
| Defendants. |) | |
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STIPULATED CONSENT JUDGMENT AND FINAL ORDER OF FORFEITURE

The United States of America, by and through its attorneys, Jaikumar Ramaswamy, Chief, Asset Forfeiture and Money Laundering Section, Criminal Division, United States Department of Justice, and Pamela J. Hicks, Acting Deputy Chief, together with Claimant Linda P. Lay, individually, and in her capacity as managing general partner of KLL & LPL Investments, Ltd., by and through her attorney, Samuel J. Buffone, hereby submit this Stipulated Consent Judgment and Final Order of Forfeiture, and incorporated Memorandum of Agreement:

WHEREAS, a Verified Complaint for Forfeiture In Rem was filed on October 23, 2006 alleging that the defendant properties were subject to forfeiture pursuant to 18 U.S.C. § 983 and 18 U.S.C. §§ 981(a)(1)(A) & (C) ("the Forfeiture Action"); and

WHEREAS, pursuant to 18 U.S.C. § 981(a)(1)(C), the defendant properties listed in the above Forfeiture Action were alleged to be proceeds of fraud in the sale of securities, wire fraud, and conspiracy to violate these statutes; and

WHEREAS, pursuant to 18 U.S.C. § 981(a)(1)(A), the Assets of KLL & LPL Investments, Ltd., and \$22,680 in Bank of America Account No. 0026-6253-0707 were alleged to be property involved in the same underlying offenses; and

WHEREAS, pursuant to 18 U.S.C. § 981(a)(1)(A), the Kirby Drive Property was alleged to be property involved in a financial transaction in violation of 18 U.S.C. § 1957; and

WHEREAS, a Verified Claim and Statement of Interest was filed on behalf of Linda P. Lay, individually and as the managing general partner of KLL & LPL Investments, Ltd. (hereinafter "Claimant"), on April 16, 2007; and

WHEREAS, notice has been published and no other individuals or entities have filed an outstanding claim; and

WHEREAS, Claimant answered the complaint of forfeiture on December 3, 2007, contesting the claimed forfeitures and asserting affirmative defenses; and

WHEREAS, the United States of America and Claimant (hereinafter "the parties") are aware of their respective rights and wish to resolve these matters without further litigation and expense;

NOW THEREFORE, the parties hereby stipulate and agree as follows:

1. This is an in rem civil forfeiture action brought pursuant to 18 U.S.C. § 983 to enforce 18 U.S.C. § 981(a)(1)(A) and (C).
2. This Court has jurisdiction to hear this action pursuant to 28 U.S.C. §§ 1331, 1345 and 1355.
3. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391 and 1395 and 18 U.S.C. § 981(h).
4. This Court has jurisdiction over the subject matter and the parties.
5. On April 6, 2009, the parties executed a Memorandum of Agreement to resolve this action. The parties agreed to move for dismissal of this action with prejudice and for entry of a final order of forfeiture upon final consummation of the terms of that settlement.

6. On April 13, 2009, the Memorandum of Agreement was approved by the Court and is incorporated herein.

7. On March 6, 2012, the Court entered an Order directing that this action be administratively closed, subject to its being reinstated for the entry of a final judgment at such time as the parties shall have completed the terms of their settlement.

8. On April 26, 2013, Claimant withdrew her Verified Claim and Statement of Interest to the defendant properties.

9. The parties have now fully and finally completed the terms of their settlement and wish to terminate this action.

10. Pursuant to Paragraph 7 of the Memorandum of Agreement and the stipulation of the parties, the Forfeiture Action is hereby dismissed **WITH PREJUDICE** on the grounds that the parties have amicably settled the matter in dispute between them, except that the Court shall retain jurisdiction to enforce the provisions of the Memorandum of Agreement.

11. The parties stipulate that Two Million, Seven Hundred Thousand Dollars (\$2,700,000) have been transferred to the United States Marshals Service on behalf of Claimant and that said funds are **FORFEITED** to the United States of America. Any right, title or interest of Claimant and her successors and assigns, and any right, title and ownership interest of all other persons, to said funds is hereby and forever **EXTINGUISHED**. Clear title to said funds shall hereby be **VESTED** in the United States of America, and the United States Marshal, or his delegate, is **AUTHORIZED** to dispose of such funds according to law.

12. This Stipulated Consent Judgment and Final Order of Forfeiture fully resolves this matter, specifically United States District Court Civil Case No. H-06-3335, entitled U. S. v. 2121 KIRBY DRIVE, UNIT 33, HOUSTON, TX, ASSETS OF KLL & LPL INVESTMENTS, LTD., \$22,680 in BANK OF AMERICA ACCOUNT No. 0026-6253-0707.

13. Each of the parties to this Stipulated Consent Judgment and Final Order of Forfeiture has discussed this compromise settlement with its respective counsel, and each is aware of its rights in this matter. Except as otherwise provided herein, the parties agree that each party shall bear its own costs and attorney's fees in this matter.

14. Pursuant to the terms of the Memorandum of Agreement, under which the parties agreed not to disclose their settlement or any of its terms or conditions until the Court enters the Stipulated Consent Judgment and Final Order of Forfeiture, and further agreed, until that time, to jointly seek to file all related filings with the Court under seal, the parties are separately filing a Motion and Proposed Order to file this Stipulated Consent Judgment and Final Order of Forfeiture under seal, until such time that the Court enters the Stipulated Consent Judgment and Final Order of Forfeiture, after which the parties consent to the unsealing of all such filings in this action.

WHEREFORE, the parties stipulate to entry of this Stipulated Consent Judgment and Final Order of Forfeiture.

Agreed as to form and substance:

JAIKUMAR RAMASWAMY, Chief
Asset Forfeiture and Money Laundering Section,
U.S. Department of Justice, Criminal Division

/s/ Pamela J. Hicks
Pamela J. Hicks
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Dated: April 26, 2013

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Lead Attorney for Linda P. Lay ✓

IT IS SO ORDERED.

Dated: April 29, 2013


HON. EWING WERLEIN, JR.
United States District Court Judge